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January 6, 1983

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Central Intelligence Agency McLean, VA

Dear Joe:

Enclosed is the outline of items we intend to address in the options paper. Each item will be described and appropriate pros and cons will be included.

Should you have any additional ideas or refinements in the schedule, please let me know.

Sincerely,

Judith A. Cahill Vice-President

Enclosure.

## Discussion Paper -- 1985 Association Benefit Plan Options

## I. Items for discussion

- A. Plan redesign
  - 1. Introduction of a low option
  - General restructuring -- introduction of a uniform across-the-board deductible and varying levels of co-payments thereafter.
  - Introduction of items enrollees view as plan deficiencies
    - a) dental
    - b) routine physicals
    - c) use of skilled nursing facilities
    - d) separate mental health catastrophic protection
  - 4. Limited provision changes only
    - a) pre-admission testing
    - b) mandatory second surgical opinion
- B. Alternative funding mechanisms
  - 1. Use of a minimum premium arrangement
  - 2. Purchase of re-insurance
  - 3. Review of current premium setting process
- C. Consideration of other underwriters
  - 1. Review of current underwriter's role
  - 2. Request and review of alternate bids, if appropriate
- D. Consideration of a special agency initiative
  - Feasibility of a special agency contribution per covert enrollee

- 2. Feasibility of leglislative action for a special Government contribution
- 3. Establishment of employee assistance programs to supplement health benefits provisions
- E. Employee communication program
  - 1. Education of enrollees in effective use of health care
  - 2. Encouragement of healthier life-styles
  - 3. Feasibility of employee sponsored health awareness/promotion sessions.

## II. Scheduling

- A. Refinement of discussion paper outline; delivery of requested data -- week of 1/9/84
- B. Draft discussion paper -- week of 1/30/84
- C. Final discussion paper -- week of 2/13/84
- D. Presentation to Board -- latter part of February 1984
- F. Development of proposal for OPM -- March 1984.